



LOUISIANA ECONOMIC QUARTERLY

Q4 2013

BELL HELICOPTER LANDS IN LOUISIANA

**LAFAYETTE CHOSEN FOR
BELL 505 JET RANGER X
ASSEMBLY FACILITY**



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letter from Secretary Moret



In December 2013, Bell Helicopter selected Lafayette, La., for production of the new Bell 505 Jet Ranger X helicopter, a move that will establish Louisiana's first modern-era aircraft assembly plant. Bell Helicopter joins the ranks of leading aerospace companies already operating in Louisiana, such as Boeing, Lockheed Martin, Northrop Grumman and AAR.

In this issue of *EQ*, we share how Louisiana's distinctive advantages — from our skilled workforce to extraordinary partnerships — attracted Bell Helicopter to our state. We also look at existing aerospace companies that are experiencing success in Louisiana and building an industry that will position Louisiana well to secure future projects in aircraft assembly and advanced manufacturing.

We'll detail how Louisiana's unique Competitive Projects Payroll Incentive Program is benefiting Lockheed Martin in New Orleans, as the company produces cryogenic liquefied natural gas storage tanks and applies its NASA shuttle external tank expertise to a rapidly expanding energy market. In addition, you will learn about Southwest Louisiana's aerospace success from Randy Robb, Chennault International Airport's executive director.

Thank you for your continued interest in our state. As you enjoy this issue, I think you'll find compelling evidence that Louisiana represents America's new frontier for business opportunity.

A handwritten signature in black ink that reads "Stephen Moret".

Stephen Moret, Secretary
Louisiana Economic Development

ECONOMIC UPDATE

LOUISIANA'S ECONOMY

Q4 2013

BANKING

Total bank equity capital of Louisiana's 142 FDIC-insured institutions was up **63.5 PERCENT** since January 2008, compared to the nation's growth of 22 percent.

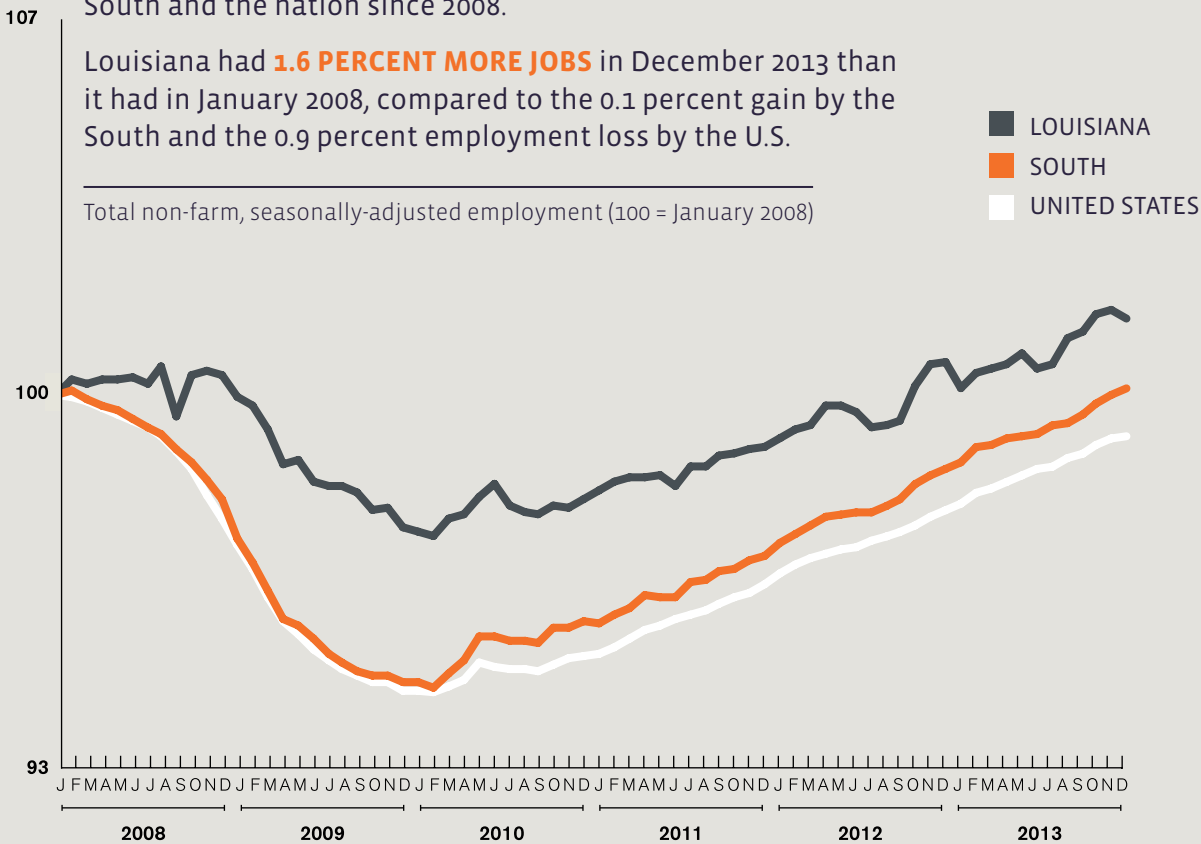
63.5%
INCREASE

EMPLOYMENT

Louisiana's employment levels have **OUTPERFORMED** both the South and the nation since 2008.

Louisiana had **1.6 PERCENT MORE JOBS** in December 2013 than it had in January 2008, compared to the 0.1 percent gain by the South and the 0.9 percent employment loss by the U.S.

Total non-farm, seasonally-adjusted employment (100 = January 2008)



RANKINGS

Louisiana climbed to **No. 6** in *Site Selection's* 2013 Top U.S. Business Climates, the state's

**HIGHEST
EVER**

placement in the magazine's annual ranking.



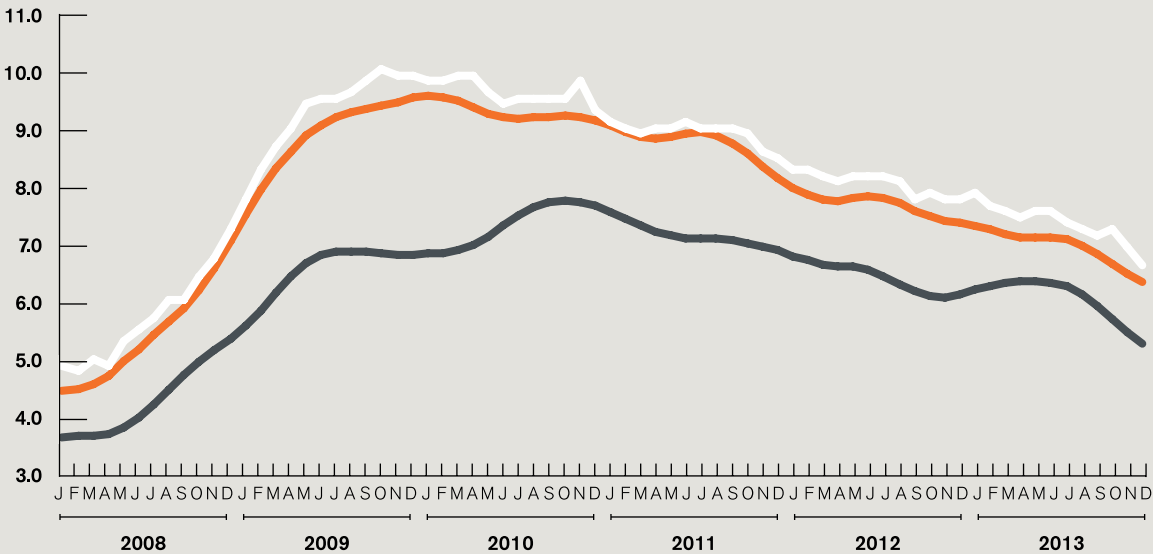
UNEMPLOYMENT

December 2013 marked the **24TH CONSECUTIVE QUARTER** since January 2008 that Louisiana outperformed both the South and the U.S. with respect to the unemployment rate.

Louisiana's unemployment rate has remained below that of the U.S. and South since the start of the national recession.

Unemployment Rate

- LOUISIANA
- SOUTH
- UNITED STATES



MISSION SUCCESS

LOUISIANA ENJOYS BEST BUSINESS DEVELOPMENT YEAR YET IN 2013

In 2013, Louisiana achieved record economic development success, securing more retained jobs, more new jobs and more capital investment than in any of the five prior years. The state attracted 67 major project wins that will generate about 27,000 new jobs and \$26.4 billion in new capital investment as the projects are completed.

Traditional bellwethers of Louisiana’s economy — chemical manufacturing and agribusiness, for example — gained new momentum while the state enjoyed increasing success in new growth industries, such as software development, digital media, clean tech and aerospace.

IBM broke ground on a new 800-job Technology Center in Baton Rouge La., a landmark software development win that will see Big Blue bolster its delivery of corporate software solutions from a \$55 million urban development. A \$14 million state-funded partnership led by Louisiana State University will undergird the

Covington, La., near New Orleans. The company will create 71 new jobs while investing \$65 million at its four Louisiana plants. CB&I announced the relocation of 400 corporate professionals from around the nation to its Baton Rouge-based Government Solutions group. And in New Orleans, defense and aerospace

\$26.4B NEW CAPITAL INVESTMENT

IBM project and triple the number of undergraduate computer science degrees granted each year by the university.

Significant aerospace wins included the state’s first complete aircraft assembly facility in the modern era, with Bell Helicopter choosing the Lafayette Regional Airport to assemble its new Short Light Single (SLS) aircraft. In Lake Charles, La., AAR Corp. opened what will become a 750-job aircraft Maintenance, Repair and Overhaul (MRO) facility.

Major manufacturing projects included the Methanex Corp. selection of Ascension Parish for a second methanol plant moved from Chile, with the two plants combining for more than \$1.1 billion in capital investment and more than 1,300 new direct and indirect jobs. In Central Louisiana, Gulf Coast Spinning Company announced a \$130 million cotton spinning facility that will produce textiles for clothing manufacturers and create 307 new direct jobs in Bunkie, La. Also in Central Louisiana, Cool Planet Energy Systems will build three micro-refineries converting biomass to gasoline, with a \$168 million capital investment leading to nearly 500 new direct and indirect jobs.

Rain CII, which produces critical feedstock for aluminum manufacturers, announced the relocation of its corporate headquarters from Houston to

TELEPERFORMANCE SHREVEPORT, LA.

740 new jobs
1,260 retained jobs
\$45 million projected annual payroll



Teleperformance
Transforming Passion into Excellence

27,000 NEW JOBS

contractor Lockheed Martin will build liquefied natural gas, or LNG, storage tanks, diversifying its work for NASA into the private sector and creating 166 new direct jobs.

In North Louisiana, Teleperformance will create 740 new positions at its Shreveport, La., customer contact center, bringing total employment to 2,000, while another business process center in Monroe, La. — Wingspan Portfolio Advisors — will add 532 positions in a home mortgage finance center.

Sealing the state’s record economic momentum was Louisiana’s highest-ever performance on three national business climate rankings: *Site Selection* (No. 6), *Area Development* (No. 6) and *Business Facilities* (No. 4), with *Business Facilities* naming Louisiana’s LED FastStart® the No. 1 state workforce training program in the U.S. for the fourth straight year. **EQ**

AAR CORP. LAKE CHARLES, LA.

500 new jobs
250 retained jobs
\$46,600 avg. salary



AAR®

2013 HIGHLIGHTED PROJECTS

WINGSPAN PORTFOLIO ADVISORS MONROE, LA.

532 new jobs
400 retained jobs
\$2 million capital investment



COOL PLANET ENERGY SYSTEMS ALEXANDRIA/NATCHITOCHES, LA.

72 new jobs
\$168 million capital investment
\$59,600 avg. salary



GULF COAST SPINNING COMPANY BUNKIE, LA.

307 new jobs
\$130 million capital investment
500,000-square-foot new facility



CB&I BATON ROUGE, LA.

400 new jobs, 180 retained jobs
\$500 million economic impact
over 10 years
\$68,000-78,000 avg. salary



IBM BATON ROUGE, LA.

800 new jobs
\$55 million urban development
\$14 million higher education initiative



BELL HELICOPTER LAFAYETTE, LA.

115 new jobs
\$11.4 million capital investment
\$55,000 avg. salary



RAIN CII COVINGTON, LA.

71 new jobs
\$65 million capital investment
\$102,700 avg. salary



METHANEX CORP. GEISMAR, LA.

165 new jobs
\$1.1 billion capital investment
2,500 construction jobs



MOMENTUM >>> LOUISIANA

BELL HELICOPTER

115 NEW JOBS,
\$55,000 AVG. SALARY,
\$11.4 MILLION CAPITAL INVESTMENT

In December 2013, Bell Helicopter selected the Lafayette (La.) Regional Airport for the production of its new Short Light Single (SLS) helicopter, which signals the first modern-era full aircraft assembly facility in Louisiana. The project will create 115 new direct jobs and result in an estimated 136 new indirect jobs. Bell Helicopter will lease space for its SLS assembly operation in

a new 82,300-square-foot hangar facility that will be funded by the State of Louisiana and owned by the airport. SLS customer segments include utility, law enforcement, civilian flight training and other applications. To secure the project, the state offered a competitive incentive package that includes performance-based grants of \$4 million for lease support, \$3.8 million for infrastructure and equipment, and \$0.2 million to reimburse relocation expenses. Louisiana also will provide the comprehensive solutions of LED FastStart®.

“We considered several sites for this new facility, and Louisiana’s proposal demonstrated the state’s commitment to economic development. The state’s established aerospace industry and exceptional workforce training programs were also key factors in our decision to make Louisiana a partner in expanding our manufacturing footprint.”

JOHN GARRISON
President and CEO of Bell Helicopter



CREST INDUSTRIES LLC

70 NEW JOBS (559 RETAINED), \$45,450 AVG. SALARY,
\$15 MILLION CAPITAL INVESTMENT

Announced in November 2013, Crest Industries will build a \$15 million galvanizing plant near Hammond, La. The expansion will furnish galvanized protective coatings for electric utility fixtures and petrochemical plant equipment. The project will create 70 new direct jobs while resulting in an estimated 95 new indirect jobs and retaining 559 existing Crest Industries jobs in Louisiana. Approximately 230 construction jobs will be associated with the project. Crest serves a global market of customers in the electric utility, forestry and commercial and industrial electrical industries. The galvanizing plant will bring services in-house that formerly were contracted to outside vendors. To secure the project, the State of Louisiana offered a competitive incentive



package that includes a \$457,500 Economic Development Loan Program award, along with the services of LED FastStart. The company is expected to utilize the state’s Quality Jobs and Industrial Tax Exemption programs.

“Tangipahoa Parish provides us the opportunity to tap into a great workforce, as well as close access to a portion of our customer base. The building of this state-of-the-art galvanizing plant, and the synergy it will provide to other business units, will enable us to ensure our customer base that we will be proactive in meeting their future requirements.”

KENNY ROBISON
CEO of Crest Industries LLC

THE HAYES COMPANIES

75 NEW JOBS, \$45,200 AVG. SALARY,
\$3 MILLION CAPITAL INVESTMENT

In December 2013, The Hayes Companies announced the expansion of its manufacturing facility in Pineville, La., by 60,000 square feet. The project will create 75 new direct jobs and result in an estimated 89 new indirect jobs. The expansion will provide additional metal fabrication space for Hayes Manufacturing, one of three divisions that comprise The Hayes Companies. The investment will fund state-of-the-art equipment to meet the demands of some of the company's largest clients, including Union Tank Car, OneSubsea and GE Energy. To secure the project, Louisiana offered the company a competitive incentive package that includes a \$500,000 loan from the state's Economic Development Loan Program that is forgivable if the company meets performance targets. The company will receive the



services of LED FastStart and is expected to utilize the Quality Jobs and Industrial Tax Exemption programs.

“Louisiana has a very good workforce along with a state government that is very business friendly, and Central Louisiana is growing by leaps and bounds. Hayes Manufacturing Company has been here for 60 years supporting our local industries with metal fabrication work. In order to keep up with this growth, we have decided on a major expansion that will keep Hayes Manufacturing in a position to service new industries and continue servicing our existing customers with the quality work that we are known for.”

JAMES HAYES JR.
CEO of The Hayes Companies

RAIN CII

71 NEW JOBS, \$102,700 AVG. SALARY,
\$65 MILLION CAPITAL INVESTMENT



Rain CII announced in October 2013 that the company will relocate its corporate headquarters from greater Houston to Covington, La., creating 71 new direct jobs and resulting in an estimated 70 new indirect jobs. Once headquartered in the New Orleans area, the company had moved to Texas as a result of facility damage from Hurricane Katrina. Company officials said Rain CII is moving back to Louisiana because of the state's successful business climate and the quick recovery and revitalization of the Greater New Orleans area that includes Covington. The new jobs will be divided among the Covington headquarters and the company's Louisiana plants in Chalmette, Norco, Gramercy and Lake Charles. The state secured the Rain CII project with a \$3.6 million performance-based grant for offsetting headquarters relocation costs. Rain CII will be eligible for a \$2 million Modernization Tax Credit and the services of LED FastStart. The company also is expected to utilize the state's Quality Jobs and Industrial Tax Exemption programs.

“Greater New Orleans is the historic home of our company, and a natural location for our headquarters. With four plants in Louisiana, it affords the best blend of proximity to our operations, quality of life for employees, and exposure to the cultural events of a larger city.”

GERRY SWEENEY
President and CEO of Rain CII

CORTEC CMS

30 NEW JOBS (112 RETAINED),
\$55,000 AVG. SALARY,
\$6 MILLION CAPITAL INVESTMENT

Cortec CMS announced in November 2013 that it will build a \$6 million manufacturing and distribution facility near Port Allen, La., creating 30 new direct jobs and resulting in an estimated 40 new indirect jobs. Cortec is moving and expanding its Lafayette, La., office to the new 35,000-square-foot facility in Port Allen. The company will retain 112 existing Louisiana jobs with the Port Allen expansion. To secure the project, Louisiana Economic Development assisted the company in utilizing the state's Quality Jobs and Industrial Tax Exemption programs. The Baton Rouge Area Chamber and West Baton Rouge Chamber also assisted Cortec with the site selection process that led to Port Allen.



“Cortec’s investment in this new facility highlights the need for critical high-pressure valves not only in the Gulf of Mexico, but globally. It underscores our company’s belief in pushing the limits of technology in the valve industry. We continue to believe that the vast human and technical resources of Louisiana will allow us to compete with the world’s foremost valve manufacturers.”

LARRY CHAUVIN
President of Cortec CMS

NEWPARK RESOURCES INC.

35 NEW JOBS (55 RETAINED),
\$43,500 AVG. SALARY,
\$41.1 MILLION CAPITAL INVESTMENT

In October 2013, Newpark Resources announced an expansion of its Newpark Mats and Integrated Services facility in Carencro, La., that will double its space and output. The Carencro site manufactures composite mats for drill-site construction and other applications. The project will create 35 new direct jobs, six of them in research and development, and result in an estimated 71 indirect jobs. The project also retains 55 jobs. To secure the expansion, the state offered Newpark a competitive incentive package that includes a \$1.6 million Modernization Tax Credit and the services of LED FastStart. The company is expected to utilize the state's Quality Jobs and Industrial Tax Exemption programs. Upon qualifying R&D expenditures at the new technology center, Newpark will be eligible for the state's refundable Research & Development Tax Credit.

“Newpark already has a strong presence in Louisiana, currently employing 270 people in the state. The incentives offered by the state and by the parish on our expansion project mean we’ll be able to employ even more Louisiana residents in the future.”

PAUL HOWES
President and CEO of Newpark Resources



JOGLER LLC

60 NEW JOBS, \$59,300 AVG. SALARY, \$1.1 MILLION CAPITAL INVESTMENT

In October 2013, Jogler LLC announced its liquid gauge manufacturing and headquarters facility will relocate from Houston to Baton Rouge, La. The move will create 60 new direct jobs and result in an estimated 79 new

indirect jobs. The company, which is investing more than \$1.1 million in the move, is leasing a 17,000-square-foot facility and making upgrades to the site to support manufacturing lines. Jogler produces liquid level indicators, sight flow indicators, magnetic level indicators, level



controls and other accessories for all process industries. To secure the project, the state offered the company the services of LED FastStart. Jogler is also expected to utilize the state's Quality Jobs and Industrial Tax Exemption programs.

"The workforce in Louisiana is hard-working, loyal and dedicated. Additionally, Louisiana is a great place to live, work and play. We did not realize how much we had taken life in Louisiana for granted until we relocated to Texas with the purchase of Jogler."

TONY HARPER
President of Jogler LLC

NATIONAL OILWELL VARCO

80 NEW JOBS, \$60,000 AVG. SALARY, \$23 MILLION CAPITAL INVESTMENT



NATIONAL OILWELL VARCO

In October 2013, National Oilwell Varco (NOV) announced it will develop a \$23 million drilling technology facility in New Iberia, La. The project will create 80 new direct jobs and result in an estimated 78 new indirect jobs. The technology facility will provide drilling rig repair services and the remanufacturing of riser materials and equipment for offshore drilling sites. Headquartered in Houston, NOV designs, manufactures and sells major mechanical components for both land and offshore drilling rigs, along with providing oilfield services and equipment. The new 78,000-square-foot technology facility will focus primarily on providing riser systems and riser accessories for the expansion of drilling operations in the Gulf of Mexico. Louisiana offered NOV a customized incentive package that includes the workforce solutions of LED FastStart. The company is also expected to utilize the state's Quality Jobs and Industrial Tax Exemption programs.

"NOV is proud to operate in Louisiana, which offers opportunity for growth with its favorable business climate and strong partnerships."

TOBY WEBRE
Service Director for North America of NOV Rig Solutions

PELICAN ENERGY CONSULTANTS LLC

195 NEW JOBS, \$90,000 AVG. SALARY, \$5 MILLION CAPITAL INVESTMENT

In December 2013, Pelican Energy Consultants announced the retention of its headquarters in Madisonville, La., and the expansion of its engineering center there through a \$5 million capital investment. The project will create 195 new direct jobs and result in an estimated 280 new indirect jobs. Pelican Energy Consultants provides a global reach of comprehensive engineering and project management services to the energy industry. A significant driver of the company's growth is its focus on engineering services in CO₂ enhanced oil recovery. To secure the project, the state offered Pelican the comprehensive services of LED FastStart, and the company is expected to utilize Louisiana's Quality Jobs Program.

"As an industry leader in CO₂ enhanced oil recovery, we are always looking for the best and the brightest. And we're certain that Louisiana's LED FastStart program will be of great value in assembling more team members to serve our clients globally."

KENNY BOGLE
CEO of Pelican Energy Consultants LLC



PAPERWORKS INDUSTRIES

43 NEW JOBS, \$39,580 AVG. SALARY,
\$1.6 MILLION CAPITAL INVESTMENT

In November 2013, PaperWorks Industries announced the relocation of its carton-finishing operations from New York to Alexandria, La., creating 43 new direct jobs and resulting in an estimated 178 new indirect jobs. The project will support the Pineville, La., operations of the company's largest customer, Procter & Gamble. PaperWorks will lease 116,000 square feet of manufacturing space, where it will fold and glue paperboard carton components for P&G, providing packaging for the company's dry laundry powder division. To secure the project, Louisiana offered PaperWorks a competitive incentive package that includes \$125,000 in infrastructure funding through the Economic Development Award Program, and the services



of LED FastStart. The company also is expected to utilize the state's Quality Jobs and Industrial Tax Exemption programs.

"PaperWorks selected the Alexandria location in order to be in close proximity with the Procter & Gamble manufacturing site in Pineville, further enhancing our decades-long relationship."

JOE MOYNIHAN
Executive Vice President, Packaging Group of
PaperWorks Industries

GULF COAST SPINNING CO. LLC

307 NEW JOBS, \$30,100 AVG. SALARY, \$130 MILLION CAPITAL INVESTMENT



In December 2013, Gulf Coast Spinning announced the company will make a \$130 million capital investment to build a cotton spinning facility in Bunkie, La. The project will create 307 new direct jobs and result in an estimated 722 new indirect jobs. Gulf Coast Spinning is a new venture and follows the 2009 opening of a related Zagis USA spinning facility employing 79 people in Jefferson Davis Parish. Including the new facility to be built on 43.5 acres at the Bunkie Industrial Park, the two mills will represent a combined capital investment of approximately \$150 million. Gulf Coast Spinning expects to ship the majority of its cotton yarn overseas in similar fashion to the Zagis USA mill in Lacassine, La., where 85 percent of the spun yarn is exported.

"The continued investment in Louisiana represents our belief that this state has the critical infrastructure, energy and workforce advantages that will allow us to grow and prosper in the future."

DAN FEIBUS
CEO of Gulf Coast Spinning Co. LLC

CRUMP WILSON ARCHITECTS

2 NEW JOBS, 124 PERCENT REVENUE INCREASE



Crump Wilson is an architecture and planning firm based in Baton Rouge, La. Through Louisiana's Economic Gardening Initiative, the company gained information on social media marketing, consultation services on website design, as well as branding and reputation management. As a result, the company has been able to take on a new partner, develop a strategic company Facebook page and initiate market research to ensure its continued growth.

"During the course of this program we were provided with the tools to position our company for future growth through targeted market outreach. As a small business, we would not normally have access to these nationally recognized experts. We will be able to apply this newly gained information for years to come."

ROBERT BOUDREAUX
Partner of Crump Wilson Architects

AXIAL CORP.

250 NEW JOBS (1,600 RETAINED), \$3 BILLION CAPITAL INVESTMENT



In December 2013, Axial announced the selection of Louisiana for a potential \$3 billion investment in a project combining a world-scale ethane cracker with an ethylene derivatives plant. Axial later announced an agreement to pursue a 50/50 joint venture with Seoul, South Korea-based Lotte Chemical on a

1 million metric ton/year ethane cracker. The parties expect to begin a front-end engineering design (FEED) contract on the ethane cracker in early 2014, with Lotte Chemical also beginning a FEED study for a wholly owned monoethylene glycol plant that would be located adjacent to the potential cracker. A leading chemicals and vinyl-based building products company, Axial operates major manufacturing complexes in Louisiana — two in the Lake Charles, La., area and one in Plaquemine, La. — and is evaluating with Lotte Chemical where the

plants would be built in Louisiana. Louisiana Economic Development estimates the new plants would result in 2,200 new indirect jobs, with an additional 2,000 to 3,000 construction jobs created during the four- to five-year development of the ethane cracker and derivatives plant. In addition to the new jobs, Axial would retain 1,600 existing jobs in Louisiana. Pending approval of the projects by each company's board of directors, commercial operations could begin by 2018.

"We have narrowed our siting choices to Louisiana, and we are excited about the prospect of expanding our footprint in the state and continuing to invest in Louisiana and its talented workforce. With more than 2.8 million metric tons of ethylene capacity worldwide, Lotte Chemical represents a strong and experienced partner in this important strategic investment."

PAUL CARRICO
President and CEO of Axial Corp.

LIBBEY INC.

70 NEW JOBS (511 RETAINED), \$38,000 AVG. SALARY,
\$20 MILLION CAPITAL INVESTMENT

In November 2013, Libbey Inc. announced it will invest \$20 million in the company's Shreveport, La., glassware manufacturing site, bringing new technology and research and development to its operations. The project will create 70 new direct jobs while retaining 511 existing Shreveport jobs and will result in an estimated 75 new indirect jobs. To secure the project, Louisiana offered the company an incentive package that includes a \$500,000 Modernization Tax Credit. The company is expected to utilize the state's Quality Jobs and Industrial Tax Exemption programs. In addition, Libbey will be eligible to claim Louisiana's refundable Research and Development Tax Credit on qualified R&D expenditures.

"This new investment in technology will enable us to compete more effectively in a broader marketplace. We appreciate LED's partnership in working with us to make our vision for this new technology a reality."

DAN IBELE
Vice President and General Manager,
U.S. and Canada of Libbey Inc.





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NEW ERA IN AEROSPACE

**BELL HELICOPTER SELECTS LOUISIANA
FOR NEW ASSEMBLY PLANT**

Louisiana's ties to the helicopter industry run deep, with large fleets of the vertical-lift aircraft ferrying crews to and from offshore drilling platforms in the Gulf of Mexico and around the world.

But soon, the state won't just fly, repair, lease and maintain helicopters for energy clients worldwide.

Louisiana will build them, too.



Texas-based Bell Helicopter will establish Louisiana's first modern-era aircraft assembly plant in an advanced 82,300-square-foot facility to be built at the Lafayette Regional Airport in Lafayette, La. Construction of the new hangar will begin in 2014, with commercial production starting quickly thereafter, pending federal certification.

The final-assembly plant marks a milestone for both Bell Helicopter and Louisiana. The company's new SLS, or Short Light Single, helicopters for civilian use will replace earlier versions of its famed Bell 206 JetRanger helicopter, which has been deployed around the world since the company began making the aircraft a half-century ago.

With SLS denoting a short-distance, light-payload, single-engine helicopter, Bell Helicopter is returning to an aircraft category it created with the JetRanger. The new aircraft will bear the imprint of that history in its name: Bell 505 Jet Ranger X.

Well-known for commercial aircraft and such military helicopters as the iconic H-1 Huey, Bell Helicopter will produce the new five-seat SLS aircraft in Lafayette for utility, flight training, law enforcement and other civilian clients around the globe.

The company chose Louisiana for final assembly of the SLS helicopter after a highly competitive, multistate assessment of both existing facilities and greenfield sites. Helicopter assembly will take place in a \$26.3 million hangar that will be leased by Bell Helicopter, funded by the State of Louisiana and owned by the Lafayette Regional Airport. The project will create 115 new direct jobs with an average annual salary of \$55,000 plus benefits, and will result in an estimated 136 additional indirect jobs. Bell Helicopter also will maintain employment of more than 60 existing jobs at a pair of aircraft service and component sites in the Lafayette area.

"This is more diversification of our economy with the arrival of aerospace manufacturing by a world leader in the industry," said Paul Segura, a member of the Lafayette Airport Commission. "It's certainly an indication of confidence in your workforce and





John Garrison, president and CEO of Bell Helicopter, introduced the new SLS helicopter at Heli-Expo 2014.

your people when a world leader in an industry like this chooses to locate in your community.”

The state’s incentive package for the Bell Helicopter project includes performance-based grants of \$4 million for lease support at the 14.5-acre hangar site, \$3.8 million for infrastructure and equipment, and \$200,000 for relocation expenses.

The availability of a skilled, technical workforce figured prominently in Bell Helicopter’s selection of Louisiana, and the company will gain access to LED FastStart®, Louisiana’s best-in-the-nation state workforce training program. LED FastStart aviation experts will work with Bell Helicopter to devise a custom training program in advance of Bell’s initial hiring of new employees for the plant in 2015.

An established partnership with Textron — Bell Helicopter’s parent company and the maker of military vehicles in Louisiana — further bolstered the company’s site-selection decision.

“Louisiana is a proven and growing aerospace market and has access to a skilled, experienced workforce as well as key resources and suppliers,” said Robert Hastings, Bell Helicopter’s senior vice president of communications and government affairs. “Bell’s operations in Lafayette will put us close to many of our key customers and can increase opportunities for collaboration within the company. Our experience has shown us that Lafayette Parish is a great place to do business.”



Bell Helicopter unveiled the Bell 505 Jet Ranger X at Heli-Expo 2014 in Anaheim, Calif., to a packed crowd of enthusiastic onlookers and secured 171 letters of intent for the new aircraft.



Bell Helicopter
A Textron Company

BELL 505

BELL 505
HELICOPTER

DANGER



Louisiana's growing aerospace infrastructure and operations span the state. At NASA's 832-acre Michoud Assembly Facility in New Orleans, Boeing is building Space Launch System rockets for the nation's next space exploration missions to the moon and Mars. For those same missions, Lockheed Martin is building and testing the Orion spacecraft at Michoud, which boasts more than two miles of manufacturing space under roof.

The Boeing and Lockheed Martin projects are the newest chapters in an aerospace manufacturing history at Michoud that includes the iconic orange external fuel tanks built for the nation's Space Shuttle program and the first stage of NASA's Saturn V rockets.

In Southwest Louisiana, AAR Corp. operates one of the world's largest aircraft maintenance, repair and overhaul centers — known as MRO operations — at Chennault International Airport. A massive new hangar under construction at Chennault through a state and local partnership will be capable of housing the largest aircraft in the world and will be part of a 750-job MRO operation for the company.

Also at Chennault, Northrup Grumman services the U.S. Air Force's fleet of massive KC-10 air tankers in another MRO operation.

In Central Louisiana, England Airpark near Alexandria, La., is a former U.S. Air Force base that's now a 3,000-acre master-planned transportation and industrial park. England Airpark is home to the Louisiana Air National Guard and extensive private aviation operations.

Bell Helicopter's consideration of Louisiana for the SLS project, therefore, brought together the state's established aerospace history and infrastructure with Louisiana programs that support a nimble and flexible response to business development projects.

The result was a swift decision by Bell Helicopter: It began the formal search for a new SLS assembly plant in July 2013, only weeks after unveiling the new SLS design at the Paris Air Show. By September, meetings and site visits with local and state officials in Louisiana were in full swing. Bell Helicopter announced its site selection decision in early December after intense analysis of sites in multiple states.

Top photo: Lockheed Martin is building and testing the Orion spacecraft at the Michoud Assembly Facility in New Orleans. **Bottom photo:** Northrup Grumman services the U.S. Airforce's fleet of KC-10 air tankers at Chennault International Airport in Lake Charles, La.

The speed of the decision reflected the company's recognition of the strategic advantages offered by Louisiana and the Lafayette Regional Airport site.

"Bell had been working on the plans for the Bell SLS program for many years, and we had a clear vision of what we needed to be successful with the program," Hastings said.

Louisiana had likewise been laying the groundwork for an aircraft manufacturing operation for years. For the past several years, LED has made a priority of visiting corporate

the state's response to Bell and Louisiana's understanding of the industry was crucial from the start.

Bell Helicopter had been exploring consolidation of its Lafayette-area operations, which include a blade-repair plant and panel-manufacturing site, when the company contacted LED in early 2013 to inquire about the state's Retention and Modernization Tax Credit. The potential project did not match that program's criteria for capital improvements, but the conversation proved

Louisiana's growing aerospace operations and infrastructure span the state, from Boeing building Space Launch System rockets at Michoud Assembly Facility in New Orleans, to AAR's maintenance, repair and overhaul operations in Southwest Louisiana, to former U.S. Air Force base England Airpark.

headquarters across a range of sectors. The visits give Louisiana officials the opportunity to explain the state's business incentive programs, industry infrastructure and top rankings in such areas as business climate and workforce training.

Louisiana's record of successful collaboration with local governments and regional economic development groups — for instance, the Lafayette Economic Development Authority (LEDA) in the helicopter project — is another point of emphasis in meetings with corporate officials. Examples of local-state partnerships in the aerospace sector include construction of the massive new hangar at Chennault and upgrades to infrastructure there that helped Northrup Grumman win the KC-10 service contract. With the AAR Corp. announcement in August 2013, the State of Louisiana also committed \$3.7 million to establish an Aircraft MRO Center of Excellence that builds on prior aviation training programs at SOWELA Technical Community College.

In Bell Helicopter's case, interaction with top executives at the company also gave Louisiana Economic Development (LED) officials the chance to explain the state's long history in aerospace, including its thriving helicopter maintenance and repair sector. Conveying the flexibility of

fruitful nevertheless: It marked the starting point for additional discussions between Bell Helicopter, its consultants and LED.

Louisiana officials scheduled a meeting with Bell Helicopter executives in Texas in May 2013 as part of the continuing corporate-outreach initiative. State and regional officials conveyed a central theme: Louisiana understands helicopters — and Bell's role in the industry, in particular — and the state had been active and accomplished in the aerospace business for decades.

Within a couple of months of that meeting, Bell Helicopter's search for an SLS assembly site — a search that began with an anonymous request for proposals — gave Louisiana another chance to demonstrate its focus on a fast and flexible response to the manufacturer's needs.

"With such clear goals in mind, we were able to quickly assess proposals that would and would not help us meet those goals," Hastings said.

"While there were numerous sites that could have been selected, the State of Louisiana, LED and LEDA all worked quickly and demonstrated their excitement and commitment to making this partnership work." **EQ**

EQ & A

Randy Robb

From the terminal at Chennault International Airport in Lake Charles, La., Randy Robb views the largest aircraft in the world landing for sophisticated aerospace services. Robb serves as executive director of the airport, where business is taking off.

EQ: What makes Chennault a compelling site for aerospace companies?

Robb: The aviation infrastructure at Chennault is the primary reason for aerospace interest. We have 10,700-by-200 feet of usable runway that can land the largest aircraft built today. The runway is wide and flat — and made of 17-inch concrete — which makes it excellent for flight-test activity. Our uncluttered airspace makes Chennault optimal for aerospace operations.

EQ: Give us a sense of the magnitude of the AAR Corp. maintenance project.

Robb: AAR is the largest aircraft maintenance, repair and overhaul (MRO) organization in the United States and the No. 3 MRO in the world. It has ties to airlines, leasing companies and aircraft manufacturers around the world. AAR's intent is to make Chennault its wide-body aircraft repair site. Over the years, based on current and projected infrastructure, we believe AAR could grow to more than 1,500 employees here.

EQ: Tell us about Chennault's new hangar that it is building in partnership with the state.

Robb: Hangar H has 112,000 square feet of space capable of housing C-5 or A-380-sized aircraft. Its "mega doors" raise and lower like Venetian blinds to provide more room for aircraft inside the hangar. A 6,000-square-foot annex, LED lighting, mobile work stands and large fans make it a functional workspace for any type of aircraft. And we have more property available to build more hangars for uses from aircraft manufacturing to repair.

EQ: What shaped Chennault as the site of Northrup Grumman's KC-10 air tanker work?

Robb: Northrup Grumman came to Chennault for assistance in competing for the KC-10 program. It needed hangar, equipment and infrastructure support. The state contributed \$7 million and Chennault added just over \$1 million to support its bid. It made the majority of the infrastructure upgrades prior to the first KC-10 arriving on site.

EQ: What workforce assets bolster aviation at Chennault?

Robb: SOWELA Technical Community College has a first-class aviation program on its campus adjacent to Chennault. It partners with industries in creating training programs from accounting to welding. The state's LED FastStart® workforce development program also provides training for our tenants.

EQ: What is driving aerospace in Louisiana?

Robb: Louisiana is focused on science and technology-related industries with the potential of providing well-paying jobs for their employees.

EQ: Do projects like Bell's new helicopter-assembly site in Lafayette create a positive ripple effect for Chennault?

Robb: The more aviation industry in the state, the more companies will look to do aviation and other business here. The industry will grow in our region because of infrastructure, workforce training and state and local incentives, including the level of teamwork between the state and local government. **EQ**





GROWTH GAINS



INCENTIVE SPURS LOCKHEED MARTIN TO DIVERSIFY

For 38 years, Lockheed Martin manufactured external tanks for NASA's Space Shuttle program at the Michoud Assembly Facility in New Orleans. As the program wound down, the global aerospace and defense contractor explored ways to apply its NASA experience in New Orleans to new private sector opportunities in Louisiana.

The transition demanded considerable research and development work, but a new Louisiana business incentive played a key role in convincing Lockheed Martin it could convert its NASA external tank work to a rapidly emerging market: the construction of large storage tanks for the LNG, or liquefied natural gas, market.

Expanding production of natural gas from shale reserves across North America had placed the Gulf Coast at the epicenter of LNG import and export operations. Lockheed Martin closely examined sites in Texas and Florida, but a competitive new incentive helped swing the project pendulum to Louisiana.

Lockheed Martin needed to curb operating costs where possible on the new venture, which made Louisiana's Competitive Projects Payroll Incentive (CPPI) Program, created in 2012, a significant advantage. The program offers a rebate on an eligible company's new payroll for up to 10 years. The company also becomes eligible for either a rebate of state sales taxes on construction materials or a 1.5 percent capital expense rebate. In addition to accessing Louisiana's dynamic infrastructure and logistics, and the state's skilled manufacturing workforce, Lockheed Martin will gain a 12 percent annual payroll credit for up to 1,000 employees hired for the new work at Michoud. There, the company will build LNG storage tanks and develop other innovative product applications.

"Louisiana Economic Development's CPPI Program was one of the many factors that helped make Louisiana an advantageous state for our liquefied natural gas tank production business," said Julie Dow, manager of economic development for Lockheed Martin. "Another important factor to mention is the Michoud Assembly Facility's unique advantages and our history of building tanks there with similar cryogenic requirements."

Today, Lockheed Martin is under contract to produce cryogenic LNG storage tanks for Wärtsilä, a Finnish power solution provider, and Harvey Gulf International Marine LLC, a marine transportation company. Lockheed Martin custom-manufactures tanks of different sizes and materials and is currently manufacturing both marine-based LNG tanks for offshore supply vessels and land-based tanks. During the initial launch phase of the facility, 166 jobs are being created and that number could expand as the venture continues to grow.

"This project has been a great endeavor and a beneficial partnership for our company," said Dr. Rob Smith, vice president of Space & Cyber programs for Lockheed Martin Information Systems & Global Solutions. "The first line of orders is filled through most of next year and we are very happy with where we are on the project. This success provides us the ability to explore additional projects in the future." **EQ**



LOUISIANA INCENTIVE SNAPSHOT

ECONOMIC INCENTIVES FOR BUSINESSES OF ALL SIZES

► COMPETITIVE PROJECTS PAYROLL INCENTIVE

Provides a payroll rebate of up to 15% in target sectors for up to 10 years, and either a 4% sales/use tax rebate on capital expenditures or a facility expense rebate equal to 1.5% of qualifying expenses

► COMPETITIVE PROJECTS TAX EXEMPTION

Provides a 10-year property tax abatement in selected parishes on qualifying capital investments of at least \$25 million in targeted non-manufacturing industry sectors. The abatement is for the ad valorem taxes in excess of \$10 million or 10% of the fair market value of the property, whichever is greater

► CORPORATE HEADQUARTERS RELOCATION PROGRAM

Provides a rebate of up to 25% of facilities and relocation costs, to be claimed in equal parts over five years

► CORPORATE TAX APPORTIONMENT PROGRAM

Provides single-sales factor apportionment to highly competitive projects in order to secure jobs and business investment in target industry sectors

► DIGITAL INTERACTIVE MEDIA AND SOFTWARE DEVELOPMENT INCENTIVE

Provides a 35% tax credit for Louisiana resident labor expenditures and a 25% refundable tax credit on qualified production expenditures

► ENTERPRISE ZONE PROGRAM

Provides a one-time \$2,500 tax credit per certified net new job, and either a 4% sales/use tax rebate on qualifying expenses or an investment tax credit equal to 1.5% of capital expenditures, excluding tax-exempted items

► INDUSTRIAL TAX EXEMPTION

Provides a 100% property tax abatement for up to 10 years on manufacturer's qualifying capital investments

► LED FASTSTART®

Provides workforce recruitment, screening and training to eligible new and expanding Louisiana companies at no cost

► MOTION PICTURE INVESTOR TAX CREDIT

Provides a tax credit of 30% on qualified production expenditures and an additional 5% tax credit for Louisiana resident labor expenditures

► MUSICAL AND THEATRICAL PRODUCTION TAX INCENTIVE

Provides a tax credit of up to 35% on qualified production or infrastructure development expenditures; additional credits available for payroll and transportation expenditures

► QUALITY JOBS

Provides a 5% or 6% rebate on annual payroll expenses for up to 10 years, and either a 4% sales/use tax rebate on capital expenditures or an investment tax credit equal to 1.5% of qualifying expenses

► RESEARCH AND DEVELOPMENT TAX CREDIT

Provides up to a 40% tax credit for Louisiana businesses (based on employment) that conduct research and development activities in Louisiana

► RESTORATION TAX ABATEMENT

Provides a five-year 100% property tax abatement for the rehabilitation of an existing structure based on assessed valuation of property prior to beginning of improvements

► SOUND RECORDING INVESTOR TAX CREDIT

Provides a 25% refundable tax credit on qualified expenditures for sound recording productions

► TECHNOLOGY COMMERCIALIZATION CREDIT AND JOBS PROGRAM

Provides a 40% refundable tax credit on costs related to the commercialization of Louisiana technology and a 6% payroll rebate for the creation of new direct jobs

SPECIAL INCENTIVES FOR SMALL BUSINESSES

► ANGEL INVESTOR TAX CREDIT

Provides a tax credit of up to 35% for individual investors when they invest in early-stage, wealth-creating businesses

► ECONOMIC GARDENING INITIATIVE

Provides Louisiana-based small businesses with accelerated technical assistance and research from an experienced national economic gardening team

► SMALL BUSINESS LOAN PROGRAM

Provides up to 75% loan guarantees to facilitate capital accessibility

► VETERAN INITIATIVE

Provides veteran-owned and disabled, service-oriented, small businesses with greater potential for access to state procurement and public contract opportunities

For more information on Louisiana's incentives visit OpportunityLouisiana.com.



Regions & Partners

REGION	REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION	REGIONAL HUB
1. BAYOU	South Louisiana Economic Council	Houma/Thibodaux
2. SOUTHEAST	Greater New Orleans Inc.	New Orleans
3. CAPITAL	Baton Rouge Area Chamber	Baton Rouge
4. ACADIANA	Acadiana Economic Development Council	Lafayette
5. SOUTHWEST	Southwest Louisiana Economic Development Alliance	Lake Charles
6. CENTRAL	Central Louisiana Economic Development Alliance	Alexandria
7. NORTHEAST	Northeast Louisiana Economic Alliance	Monroe
8. NORTHWEST	North Louisiana Economic Partnership	Shreveport/Bossier

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Louisiana has an extensive network of economic development organizations and allies dedicated to helping our communities attract, grow and maintain business in our state.

1. Bayou Region

- Assumption Chamber of Commerce
- Chamber of Lafourche and the Bayou Region
- Houma-Terrebonne Chamber of Commerce
- Lafourche Parish Economic Development
- South Central Industrial Association
- St. Mary Chamber of Commerce
- St. Mary Economic Development
- St. Mary Industrial Group
- Terrebonne Economic Development Authority
- Thibodaux Chamber of Commerce

2. Southeast Region

- Jefferson Parish Economic Development Commission
- New Orleans Business Alliance
- Plaquemines Association of Business & Industry
- St. Bernard Parish Economic Development Foundation
- St. Charles Parish Department of Economic Development & Tourism
- St. James Parish Department of Economic Development
- St. John the Baptist Parish Department of Economic Development
- St. Tammany Economic Development Foundation
- Tangipahoa Economic Development Foundation
- Washington Economic Development Foundation

3. Capital Region

- Ascension Economic Development Corporation
- City of Baton Rouge/ East Baton Rouge Parish
- East Feliciana Parish Economic Development
- Greater Pointe Coupee Chamber of Commerce
- Iberville Chamber of Commerce
- Livingston Economic Development Council
- St. Helena Parish Economic Development Committee
- West Baton Rouge Chamber of Commerce
- West Feliciana Parish Community Development Foundation

4. Acadiana Region

- Crowley Chamber of Commerce
- Evangeline Parish Industrial Board
- Iberia Industrial Development Foundation
- Lafayette Economic Development Authority
- St. Landry Parish Economic Industrial Development District
- St. Martin Economic Development Authority
- Vermilion Chamber of Commerce

5. Southwest Region

- Calcasieu Parish Planning and Development
- Chennault International Airport Authority
- City of Lake Charles Planning and Economic Development Department
- DeQuincy Chamber of Commerce
- DeQuincy Economic Commission
- Greater Beauregard Chamber of Commerce
- Jeff Davis Business Alliance
- Jeff Davis Parish Office of Economic Development
- Jennings Main Street
- Kinder Louisiana Chamber of Commerce
- Lake Charles Downtown Development Authority
- Lake Charles Regional Airport
- Oakdale Area Chamber of Commerce
- Sulphur Industrial Development Board
- The Chamber/SWLA
- The Port of Lake Charles
- West Calcasieu Port, Harbor and Terminal District

6. Central Region

- Alexandria Central Economic Development District
- Alexandria/Pineville Convention and Visitors Bureau
- Alexandria Regional Port Authority
- Avoyelles Parish Port Commission
- Central Louisiana Business Incubator
- Central Louisiana Chamber of Commerce
- Concordia Economic & Industrial Development Board
- Concordia Parish Chamber of Commerce
- England Economic and Industrial Development District
- Greater Alexandria Economic Development Authority
- Greater Vernon Chamber of Commerce
- LaSalle Economic Development District
- North Rapides Business and Industry Alliance
- O.U.T.S.: Olla, Urania, Tullos, Standard Economic Development Board
- Pineville Downtown Development District
- The Rapides Foundation
- Winn Economic and Industrial District

7. Northeast Region

- Bernice Industrial Development Corporation
- Caldwell Parish Industrial Development Board
- Franklin Economic Development Foundation
- Jackson Parish Chamber of Commerce
- Jackson Parish Economic Development
- LA Delta 65 Inc.
- Lake Providence Port Commission
- Monroe Chamber of Commerce

- Morehouse Economic Development Commission
- Rayville Economic Development
- Tensas Revitalization Alliance
- Union Parish Chamber of Commerce
- West Carroll Parish Chamber of Commerce
- West Monroe-West Ouachita Chamber of Commerce

8. Northwest Region

- Arcadia/Bienville Parish Chamber of Commerce
- Bossier Chamber of Commerce
- Caddo-Bossier Port Commission
- City of Natchitoches Economic Development Commission
- Claiborne Chamber of Commerce
- DeSoto Parish Chamber of Commerce
- Greater Bossier Economic Development Foundation
- Greater Shreveport Chamber of Commerce
- Minden-South Webster Chamber of Commerce
- Natchitoches Area Chamber of Commerce
- North Webster Chamber of Commerce
- Red River Parish Chamber of Commerce
- Ruston-Lincoln Chamber of Commerce
- Sabine Parish Chamber of Commerce

In addition to working with these organizations, LED regularly works with municipalities, parishes, police juries and utilities on economic development initiatives.

- Statewide partners include:
- American Electric Power/Southwestern Electric Power Company
 - Association of Louisiana Electric Cooperatives
 - Center for Lean Excellence
 - Cleco Corp.
 - Entergy Louisiana Economic Development
 - Louisiana Association of Planning and Development Districts
 - Louisiana Business Incubation Association
 - Louisiana Industrial Development Executives Association
 - Louisiana Municipal Association
 - Louisiana Public Facilities Authority
 - Louisiana Small Business Development Center Network
 - Manufacturing Extension Partnership of Louisiana
 - Police Jury Association of Louisiana
 - Ports Association of Louisiana
 - Procurement Technical Assistance Center



FINDING THE RIGHT SITE

begins with finding the
right information.

On Louisiana's Sites and Buildings Database, find detailed information for more than 1,000 available sites, buildings and mega sites in the state. Review demographic and business data, get contact information and more.

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